

OFFICIALMETHODS AND STANDARDS OF ESTABLISHING PAYMENT RATES --- OTHER MEDICAL CARE2.a. Outpatient Hospital Services

Payment is made at an interim rate subject to year end audit in accordance with Title XVIII principles.

b. Rural Health Clinic Services

Payment for rural health clinic services is made at the reasonable cost rate per encounter as determined by Medicare .

3. Other Laboratory and X-Ray Services

Payment is limited to laboratories and laboratory services certified by Medicare.

Reimbursement is at the lower of the provider's charge or the Medicaid rate on file.

4.a. Skilled Nursing Facility Services

The Division of Rate Setting of the Agency of Human Services, pursuant to 33 VSA, § 193, certifies to the Commissioner of Social Welfare prospective per diem rates to be utilized in reimbursing for care in each participating Skilled Nursing Facility.

Payment for authorized care furnished to a Vermont Medicaid recipient by a certified out-of-state skilled nursing facility will be made at the per diem rate established by that state's single agency for Medicaid. No retroactive adjustments are made in payments to an out-of-state facility.

A prospective per diem rate for the purpose of reimbursing for skilled nursing facility care furnished in Vermont general hospitals will be established by the Division of Rate Setting at the beginning of each fiscal year.

See ATTACHMENT 4.19-C for additional methods and standards governing payment during temporary absences from the facility.

b. Early and Periodic Screening, Diagnosis and Treatment

All providers are reimbursed in accordance with the methods and standards described within this state plan for each specific service.

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State: Vermont

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Attachment 4.19-B
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METHODS AND STANDARDS OF ESTABLISHING PAYMENT RATES --- OTHER
MEDICAL CARE (continued)

2. a. Outpatient Hospital Services

For all Vermont hospitals and the following New Hampshire hospitals (Dartmouth-Hitchcock, Cheshire, Valley Regional, Alice Peck Day, Cottage, Upper Connecticut Valley, Weeks Memorial, and Littleton Regional), payment is made on an interim basis at a hospital specific interim percentage of charge subject to year-end audit and cost-adjustment in accordance with the Title XVIII principles of Reasonable Cost Reimbursement (42 CFR Part 413) with the following exceptions:

1. Services normally furnished in a physician's office are paid using the physician fee schedule. No payment is made for the hospital "facility fee" or overhead, and hospital costs attributable to these services are not allowed for outpatient hospital cost settlement.
2. Psychiatric partial hospitalization services are paid at per diem rates with no year-end cost settlement.
3. Laboratory services are paid at the lesser of the actual charge, the RVU (the RVU price is the price on file based on a relative value scale for lab services) price or the Medicare maximum allowable amount with no year-end cost settlement.
4. Radiology services as defined in 42 CFR §413.122 are paid at the lesser of actual charge, the Medicaid price on file or the Medicare maximum allowable amount with no year-end cost settlement.
5. Observation care services are paid at the lesser of the hospital's percentage of the charge for not more than 24 hours of outpatient care with a year-end cost settlement or the hospital's per diem rate for a medical/surgical day without a year-end cost settlement.

All other hospitals will be reimbursed at the mean percentage of the interim rates for Vermont and the New Hampshire hospitals listed above for services rendered with no year-end cost settlement.

TN# 99-15 A
Supersedes
TN# 95-7

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Approval Date: _____

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TITLE XIX
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Attachment 4.19-B
Page 2a (2)

• METHODS AND STANDARDS OF ESTABLISHING PAYMENT RATES --- OTHER
• MEDICAL CARE (continued)

b. Rural Health Clinic Services

Payment for RHC core services is made at the reasonable cost rate per encounter as determined by Medicare. RHC dental services are reimbursed based on a fee-for-service schedule which is cost-settled at year end. Other ambulatory services are reimbursed at the fee-for-service rate established by the Medicaid agency for the particular service.

c. Federally Qualified Health Centers

Payment for federally qualified health centers is made at interim rates subject to cost settlement. Assurance is made that payments are based upon and cover the reasonable costs of providing services to Medicaid recipients.

The methodology for cost finding and determining reasonable cost is the Medicare cost reimbursement principles in 42 CFR Part 413.

Notice has been given to federally qualified health centers the reasonable cost based reimbursement is available.

Reimbursement will not exceed the upper limits contained in 42 CFR Part 413.

3. Other Laboratory and X-Ray Services

Payment is limited to laboratories and laboratory services certified by Medicare.

Reimbursement is made at the lower of the provider's charge or the Medicaid rate on file.

TN# 99-15 **A**
Supersedes **95-7**
TN# None

Effective Date: 12-6-99

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TITLE XIX
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Attachment 4.19-B
Page 2b

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METHODS AND STANDARDS FOR ESTABLISHING PAYMENT RATES -- OTHER MEDICAL CARE

4.a. Nursing Facility Services

The Division of Rate Setting of the Agency of Human Services, pursuant to 33 VSA § 193, certifies to the Commissioner of Social Welfare prospective per diem rates to be utilized in reimbursing for care in each participating nursing facility.

Payment for authorized care furnished to a Vermont Medicaid recipient by a certified out-of-state nursing facility will be made at the per diem rate established by the state's single state agency for Medicaid. No retroactive adjustments are made in payments to an out-of-state facility.

A prospective per diem rate for the purpose of reimbursing for nursing facility care furnished in Vermont general hospitals will be established by the Division of Rate Setting at the beginning of each fiscal year.

See ATTACHMENT 4.19-C for additional methods and standards governing payment during temporary absences from the facility.

Payment for Rehabilitation Center services provided in nursing facilities located outside Vermont for the severely disabled such as head injured or ventilator dependent people will be made at the lowest of:

- a) the amount charged; or
- b) a negotiated rate; or
- c) the Medicaid rate as paid by at least one other state Medicaid agency in the Boston region.

Payment for rehabilitation center services which have not been authorized by the Medicaid Director or a designee will be made at the nursing facility (non rehabilitation center) rate established by Medicaid in the state in which the center is located.

b. Early and Periodic Screening, Diagnosis and Treatment

All providers are reimbursed in accordance with the methods and standards described within this state plan for each specific service.

Personal care services, home visiting, and health education are paid at the lower of the actual charge or the Medicaid rate on file.

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TN# 95-7
Supersedes
TN# 94-26

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Approval Date: 7/19/95

Official

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Attachment 4.19-B
Page 3

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METHODS AND STANDARDS OF ESTABLISHING PAYMENT RATES ---OTHER
MEDICAL CARE (Continued)

4.c. Family Planning Services

Family planning services are reimbursed in accordance with the methods and standards described within this State Plan for each specific service.

5. Physician's Services

Payment for a service rendered by a physician (M.D. or D.O.) will be made at the lower of the actual charge for the service or the Medicaid rate on file.

6.a. Podiatrist's Services

Payment is made at the lower of the actual charge or the Medicaid rate on file.

b. Optometrist's Services

Payment is made at the lower of the actual charge or the Medicaid rate on file.

c. Chiropractors

Payment is made at the lower of the actual charge or the Medicaid rate on file.

d. Other Practitioners Services

Payment is made at the lower of the actual charge or the Medicaid rate on file.

Nurse practitioner services are reimbursed at the lower of the actual charge or the Medicaid rate on file for a physician providing the same service.

e. High-Tech Nursing Services

Payment is made at the lower of the actual charge or the Medicaid rate on file.

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TN# 95-1
Supersedes TN# 94-7

Effective Date: 1/1/95

Approval Date: *3-9-95*

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ATTACHMENT 4.19-B
Page 4

METHODS AND STANDARDS OF ESTABLISHING PAYMENT RATES --- OTHER MEDICAL CARE (Continued)

7. Home Health Services

Payment for home health care services is made at the lower of the actual charge or the Medicaid reimbursement rate on file.

8. Private Duty Nursing

Payment is made at the lower of the actual charge or the Medicaid rate on file.

9. Clinic Services

a. Payment for clinic services other than a mental health clinic is made at the lower of the actual charge or the Medicaid rate on file for the service provided.

b. Payment for mental health clinic services is made at the lower of the actual charge or the Medicaid rate on file.

10. Dental Services

Payment for dental services is made at the lower of the actual charge for the services or the Medicaid rate on file.

11. Physical Therapy and Related Services

For outpatient hospital services and home health agency services payment is made in accordance with methods and standards as contained in ATTACHMENT 4.19-B, item 2.a. and item 7. Certified Rehabilitation Agencies will be paid an interim payment subject to annual cost settlement in accordance with Title XVIII principles.

12a. Prescribed Drugs

"Multiple Source" drugs are paid at the lowest of the amount charged, the average wholesale price plus a dispensing fee or the upper limit determined by the state (Estimated Acquisition Cost) derived from the upper limit established by HCFA plus a dispensing fee, or the Vermont Maximum Acquisition fee established by the state plus a dispensing fee.

"Other Drugs" are paid at the lower of the amount charged or the average wholesale price less 10 percent plus a dispensing fee.

"Physician Certified as Brand Necessary" are paid at the lower of the amount charged or the average wholesale price less 10 percent plus a dispensing fee.

Payment for compounded prescriptions is made at the lower of the amount charged at the average wholesale price on file plus a compounding fee plus a dispensing fee.

The amount of the dispensing fee is \$4.25 per prescription.

TN# 00-04

Supersedes:

TN# 00-09

Effective Date: ~~6/30/99~~ 7/15/00

Approval Date: 9/5/2000

See attached page for effective 7/1/00

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ATTACHMENT 4.19-B
Page 4

METHODS AND STANDARDS OF ESTABLISHING PAYMENT RATES --- OTHER MEDICAL CARE (Continued)

7. Home Health Services

Payment for home health care services is made at the lower of the actual charge or the Medicaid reimbursement rate on file.

8. Private Duty Nursing

Payment is made at the lower of the actual charge or the Medicaid rate on file.

9. Clinic Services

a. Payment for clinic services other than a mental health clinic is made at the lower of the actual charge or the Medicaid rate on file for the service provided.

b. Payment for mental health clinic services is made at the lower of the actual charge or the Medicaid rate on file.

10. Dental Services

Payment for dental services is made at the lower of the actual charge for the services or the Medicaid rate on file.

11. Physical Therapy and Related Services

For outpatient hospital services and home health agency services payment is made in accordance with methods and standards as contained in ATTACHMENT 4.19-B, item 2.a. and item 7.

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"Other Drugs" are paid at the lower of the amount charged or the average wholesale price less 11.9 percent plus a dispensing fee.

"Physician Certified as Brand Necessary" are paid at the lower of the amount charged or the average wholesale price less 11.9 percent plus a dispensing fee.

Payment for compounded prescriptions is made at the lower of the amount charged at the average wholesale price on file plus a compounding fee plus a dispensing fee.

The amount of the dispensing fee is \$4.25 per prescription.

TN# 00-06
Supersedes:
TN# 96-6

Effective Date: 7/1/00

Approval Date: 9/25/00

Only the four lines within the bracket are effective 7/1/00 and they supersede SPA 96-6. The remainder of this page was superseded by SPA 00-04 effective 7/15/00.



State of Vermont

AGENCY OF HUMAN SERVICES

OFFICE OF VERMONT HEALTH ACCESS

103 South Main Street
Waterbury, Vermont 05671-1201Tel.: (802) 241-2880
Fax: (802) 241-2974 or (802) 241-2897

November 21, 1996

Ronald Preston, Associate Regional Administrator
Health Care Financing Administration
Division of Medicaid
Region 1
JFK Federal Building
Government Center
Boston MA 12203

Re: Regional Bulletin 96-17

Dear Ron:

In response to Regional Bulletin NO 96-17, the State of Vermont provides the following findings and assurances that payments for drugs, in the aggregate, are in compliance with the Federal upper payment limit requirements. The statement of findings dated November 18, 1996 is attached.

Please contact me if this is not responsive to your request.

Sincerely,

A handwritten signature in cursive script, reading 'Paul H. Wallace-Brodeur'.

Paul H. Wallace-Brodeur
Acting Director



State of Vermont

AGENCY OF HUMAN SERVICES

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STATEMENT OF FINDINGS
NOVEMBER 18, 1996

Subject: 42CFR447.333, 42CFR447.332, 42CFR447.331

Methodology - Multiple Source Drugs

Each Multiple Source Drug is assigned a number. This number is in turn assigned the FUL price. Unless the prescription is brand certified, payment for the prescription is made at the FUL price, plus the dispensing fee.

Findings

We have had this system in place since 1985, (three years before the FUL list). This system is in full compliance with the requirements of the FUL program, and is working properly.

Two multiple source drugs are tested on the attachment.

Methodology - Other Drugs

Required Triennially; Done in 1994. Due again in 1997.

Report FNDR293V lists and summarizes each FUL (plus some state MAC) drugs.

Test #1

Source FNDR 293V 2Q96

Multi Source #0067 Furosemide 40mg

FUL Price as of 6/95 \$0.0270

<u># of Rx</u>	<u># of Tablets</u>	<u>\$ Paid</u>
8373	385350	\$37,156.66

Cost of Ingredients

385350 X 0.0270	=	10404.45	
Fees 8373 X 4.25	=	<u>35585.25</u>	
		45989.70	Possible
		<u>37156.66</u>	Paid
		8833.04	Savings above UL

Limits

Theoretical savings brand name vs. generic at UL price.

Lasix 40mg @ 0.2227 X 385350	=	85817.45
FUL @ 0.0270 X 385350	=	<u>10404.45</u>
Theoretical Savings		75413.00

Test #2

Multi Source #0655 Metoprolol Tar. 50mg

FUL Price as of 6/95 \$0.1403

<u># of Rx</u>	<u># of Tablets</u>	<u>\$ Paid</u>
3366	180718	33,408.65

Cost of Ingredients

180 X 718 X 0.1403	=	25354.74	
Fees 3366 X 4.25	=	<u>14305.50</u>	
		39660.24	Possible
		<u>33408.65</u>	Paid
		6251.59	Savings above UL

Limits

Theoretical Savings Brand Name vs Generic

Lopressor 50mg @ 0.5684 X 180718	=	\$102720.11
FUL @ 0.1403 X 180718	=	<u>25354.74</u>
		\$ 77365.37